

Reasonable loan servicing charges—charges for expenses the borrower incurs to service a loan provided to another entity unaffiliated with the borrower using the proceeds of the RUS zero-interest loan. The charges over the life of the loan for routine loan servicing expenses must not exceed an amount equal to the sum of one percent per year of the outstanding principal on the first day of each year on the borrower's RUS zero-interest loan. The charges for extraordinary expenses associated with collection of delinquent payments or other similar expenses must receive the prior approval of the Administrator.

Revolving loan program—a program established and operated by the Borrower, using grant funds, the Borrower's contribution and loan repayments to make loans to businesses or others for rural economic development and job creation purposes.

RTB—the Rural Telephone Bank, established as a body corporate and an instrumentality of the United States, to obtain supplemental funds from non-Federal sources and utilize them in making loans, for the purposes of financing, or refinancing, the construction, improvement, expansion, acquisition, and operation of telephone lines, facilities, or systems, for RUS Borrowers financed under sections 201 and 408 of the Act.

Rural area—a rural area as defined in section 13 of the Act.

Rural economic development—job creation or preservation or community facilities improvement projects that clearly demonstrate significant benefits to rural areas.

Rural economic development account—a federally insured account into which the borrower deposits any advances of zero-interest loan funds from RUS until the borrower disburses the funds.

RUS means the Rural Utilities Service, an agency of the United States Department of Agriculture established pursuant to Section 232 of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (Pub. L. 103-354, 108 Stat. 3178), successor to REA with respect to administering certain electric and telephone programs. See 7 CFR 1700.1.

Scope of work—a detailed plan, which has been approved by the Administrator, covering the work to be performed by the loan and/or grant recipient using the loan and/or grant funds.

Significant stockholder—an owner or holder of five percent or more of the common stock (or shares) or five percent or more of the preferred stock (or shares) of the RUS borrower.

Subaccount—the rural economic development subaccount created by section 313 of the Act.

Technical assistance—analysis of facilities or processes, managerial, financial and operational consultation by independent qualified entities to assist project owners to identify and evaluate problems or potential problems and provide training to enable project owners to successfully implement, manage, operate and maintain viable projects.

Tribal government—The governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community (including any Native village as defined in 43 U.S.C. 1602) certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs.

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§ 1703.13 Source of funds.

Funds provided under this program come from interest differential credits to the subaccount and appropriated amounts made available to the subaccount.

§ 1703.14 Disposition of funds in the subaccount.

Zero-interest loans and grants will be made during each fiscal year to the full extent of the amounts held in the subaccount subject only to limitations imposed by law. For administrative purposes, the Administrator will make a determination of the fiscal year-end amount held in the subaccount as of a date prior to, but as near as practicable to, the end of the fiscal year.